Next time it won't be different, unless we change our t...

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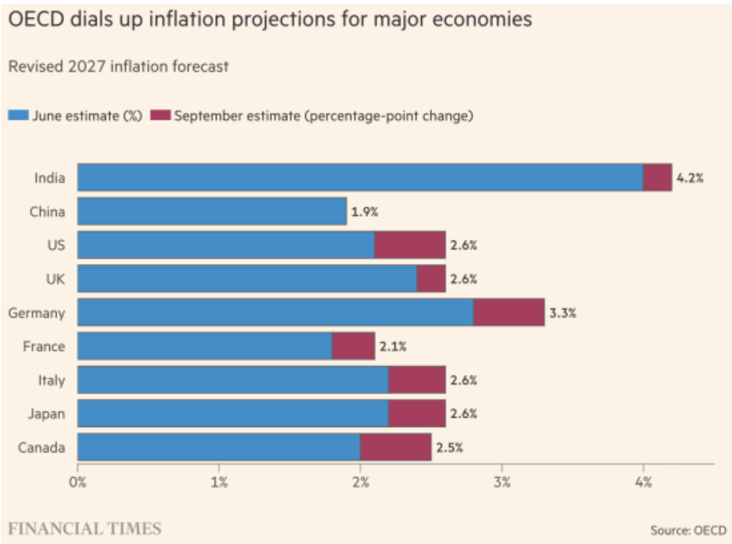
There is a saying, attributed to Einstein but probably apocryphally, that keeping on doing something and hoping that you get a better outcome next time is a sign of madness. That idea came to mind this morning when I read the Financial Times reports on the OECD's latest labour forecasts, which were themselves published yesterday.

According to those reports, the G7 countries are struggling to deliver on their key economic objective, which is growth:



If this is all they can do, why are they making this their goal?

At the same time, as the FT notes:

Surging government bond yields are a "major concern" to countries' public finances given the mounting share of spending being consumed by debt interest, the OECD said on Wednesday, as it urged nations to rein in expenditure.

As far as I could see, everything else that was noted was pretty much padding.

They did note that France is doing a great deal more to help people with the costs of energy price increases than anyone else, not that it appears to be helping Macron very much.

They also said that the UK does not need to increase interest rates to solve any pending inflation problem that we might have because, in their opinion, existing high rates, coupled with the poor state of economic confidence in the UK, are, in combination, sufficient at this moment to suppress the economy sufficiently in this country to ensure that interest rate rises are not really needed.

Add it all up, and you get a summary of an economic system that is, against the targets it has set for itself, failing. Neoliberalism says growth is the goal, but if that is happening, the benefit is not being perceived. And it says debt, as a metaphor for government action, must be constrained, and it is not being so, despite which growth remains poor.

The OECD, as a champion of neoliberal thinking, does, of course, package its comments in a way that suggests the economic threats that we face can be managed, but if it had bothered to think about what it was writing, what it would have realised is that what it is looking at is an economic system that is failing, at least in the terms that it has set for itself.

Unfortunately, like the UK Treasury and most economists and governments around the world, the OECD does not give itself the opportunity to think about, let alone appraise, the big questions that the data it produces might suggest. As a result, its prescription for the world economy is that we keep doing the same thing in the hope that next time it might be better.

It won’t be.

The neoliberal system is over. Next time we have to do something different. The problem is, our politicians have not realised this yet, and our economists, rare exceptions apart, do not have the intellectual ability to imagine anything other than what they were told was required of them when they were students, after which they gave up thinking altogether.